

Utility Fund Public Works



OVERVIEW

Public Works - Utilities

The City of Kyle Public Works Department is a general term utilized to refer to two (2) different budgetary departments: "Street Construction and Maintenance" and the Utility Department. In 2007-08 the Utility Fund consisted of three operating divisions which include: Water Operations; Water Supply; and Wastewater Operations. These three divisions work under the general direction of the Director of Public Works. For 2008-09 it is proposed that another division be added to account for costs directly associated with administration of this activity. In the past these costs were essentially split between the Water and Wastewater Divisions but the Department will grow sufficiently over the next year and subsequent years to make differentiation from operations necessary.

SUMMARY OF REVENUE AND EXPENSES

Utility Fund

	<i>FY 2005-06</i>	<i>FY 2006-07</i>	<i>FY 2007-08</i>	<i>2008-09</i>
Revenue	<u><i>Actual</i></u>	<u><i>Actual</i></u>	<u><i>YE- Projected</i></u>	<u><i>Proposed</i></u>
Water Sales	1,696,315	1,631,240	3,403,242	3,505,339
Water Service Charges	771,692	791,759	392,732	284,636
Wastewater Service Fees	1,965,327	2,034,303	2,646,307	2,699,606
Miscellaneous Revenue	<u>172,453</u>	<u>151,383</u>	<u>161,615</u>	<u>166,463</u>
Total - Operating Revenue	4,605,787	4,608,685	6,603,896	6,656,044
Expenditures				
Water - Administration	-	-	-	508,446
Water - Operations	1,426,773	1,285,809	1,301,506	1,723,608
Water - Supply	1,080,344	1,458,801	1,182,446	1,221,382
Wastewater	<u>1,630,180</u>	<u>2,162,255</u>	<u>2,013,582</u>	<u>2,235,470</u>
Total - Expenditures	4,137,297	4,906,865	4,497,534	5,688,906
Current Surplus/(Deficit)				967,138

Detailed Listing of Revenue

Revenue Source	2005-06 Actual	2006-07 Actual	2007-08 YE-Projected	2008-09 Total	% Chng Prior Year
Water Sales					
Consumption Charges	1,667,114	1,594,176	3,382,541	3,484,018	3.0%
Bulk Water Sales	-	3,738	65	67	3.0%
Refund/Reimbursement	55	1,682	10,480	10,795	3.0%
Miscellaneous	2,605	-	1,405	1,448	3.0%
Svc Area 2 Acreage Fee	26,541	31,644	8,750	9,012	3.0%
Surface Water Reservation .Fee	-	-	-	-	n/a
<i>Subtotal</i>	1,696,315	1,631,240	3,403,242	3,505,339	3.0%
Water Service Charges					
Service Taps	273,050	193,025	200,850	206,876	3.0%
Meter Reimbursement	-	21,754	18,334	18,884	3.0%
Service Charges	123,596	116,661	29,225	-	-
Reconnect Fees	28,097	23,925	7,815	8,049	100.0%
Surcharges	246,891	329,462	87,161	-	-
Penalties	84,939	97,501	47,877	49,313	100.0%
Miscellaneous	15,120	9,432	1,469	1,513	3.0%
<i>Subtotal</i>	771,692	791,759	392,732	284,636	-27.5%
Total - Operating Revenue	2,468,007	2,423,000	3,795,974	3,789,975	56.42%

Sewer Service Fees
Charges For Services

Sunset Ridge WW	25	-	-	-	n/a
Lift Station Hays County					
ISD	<u>4,860</u>	<u>7,739</u>	<u>8,068</u>	8,310	<u>3.0%</u>
<i>Subtotal</i>	4,885	7,739	8,068	8,310	3.0%

Wastewater Service					
Charges	1,468,908	1,670,624	2,342,909	2,413,196	3.0%
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>n/a</u>
<i>Subtotal</i>	1,468,908	1,670,624	2,342,909	2,413,196	3.0%

Charges For Service

Service Taps	403,875	259,750	270,000	278,100	3.0%
Service Charges	83	-	-	-	n/a
Reconnect Fees	-	-	-	-	n/a
Surcharges	87,577	96,190	25,331	-	100.0%
Penalties	-	-	-	-	n/a
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>n/a</u>
<i>Subtotal</i>	491,534	355,940	295,331	278,100	-5.8%

Wastewater Total

1,965,327	2,034,303	2,646,307	2,699,606	2.0%
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Miscellaneous Revenue

Interest Earned- Water	85,155	101,563	80,129	82,533	3.0%
Interest Earned- Sewer	22	27,726	18,257	18,805	n/a
Inspection Services	87,276	22,094	37,392	38,513	3.0%
Sale of Materials	<u>-</u>	<u>-</u>	<u>25,837</u>	26,613	<u>n/a</u>
<i>Subtotal</i>	172,453	151,383	161,615	166,463	

Total Funds
Available

4,605,787	4,608,685	6,603,896	6,656,044	0.8%
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UTILITY ADMINISTRATION DIVISION

Expenditures appropriated in the Administrative Division include personnel assigned overall responsibility for the Utility operations including 65% of the Department Head's costs, the Utility Coordinator, departmental secretary etc. Focus of Water Operations and Supply are to provide quality and safe drinking water, which includes maintenance and development of water mains, water testing, and service connections. The Wastewater Department carries responsibility for maintenance and operation of the City's wastewater collection system; it also protects the public from pollution and environmental contamination. The wastewater treatment plant is owned by the City, but is operated by private contractors.

Personnel Resources

PW - Utilities Administration			Authorized Positions		
Classification Title	Status *	Hr./Sal.	FY 2007-08 Amended	FY 2008-09 Proposed	Diff.
Public Works Director	F	Sal.	0.00	0.65	0.65
Utilities Coordinator	F	Sal.	0.00	1.00	1.00
Secretary - Public Works	F	Hr.	0.00	1.00	1.00
Admin. Asst.	F	Hr.	0.00	1.00	1.00
Foreman	F	Sal.	0.00	1.00	1.00
Compliance Tech.	F	Hr.	0.00	1.00	1.00
Utility Tech. I	F	Hr.	0.00	1.00	1.00
Utility Tech. I	F	Hr.	0.00	1.00	1.00
F= Full Time PPT = Permanent Part time			0.00	7.65	7.65

Comments on proposed staffing changes for 2008-09

Addition of one new Utility Technician to assist in meter reading, new service connections, and maintenance of the automated meter reading system. All other positions were transferred in from Water Operations.

Appropriations by Major Category of Expenditure

	Employee Services	Goods & Supplies	Services & Other Fees	Capital Outlay	Total
2005-06 Actual	-	-	-	-	-
2006-07 Actual	-	-	-	-	-
2007-08					
Adopted'	-	-	-	-	-
Re-estimate	-	-	-	-	-
2008-09					
Base Line	373,451	33,750	64,989	-	472,189
Program Change	36,257	-	-	-	36,257
Total 2008-09	409,708	33,750	64,989	-	508,446
% Change	0%	0%	0%	0%	0%

Comments on significant changes proposed for 2008-09

The Administration Division is new for 2008-09. Funds for this function were formerly recorded in the Water Operation Division or split with Sewer Operations. There is no direct history to compare with but the some of the Water, Sewer Operations should increase only to the extent that new positions have been added plus the increased costs as a result of additional personnel.

Capital Outlay - No capital outlay items are included for the Utility Administration Division for 2008-09.

WATER OPERATING DIVISION

The mission of the Water Operating Division is to deliver a dependable and plentiful supply of water to meet the present and future needs of customers through cost-effective management and maintenance of the infrastructure, while incorporating environmental and regulatory controls.

The Water Services Utility is responsible for the operation and maintenance of infrastructure that provides potable water for over 7,000 customers. Four water wells totaling 2.208 MGD of capacity, 7 storage tanks with a total storage capacity of 2.241 MG, 3 water pumping stations, 20 miles of water distribution piping which includes valves, 600 fire hydrants, and 6,850 meters. Department activities are regulated by the Texas Commission on Environmental Quality (TCEQ) and the Environmental Protection Agency (EPA). Department activities include: periodic operational checks and preventive maintenance at pumping facilities, inspection and acceptance of new facilities constructed by developers, repair and preventive maintenance of piping and valves, testing and maintenance of system metering, marking of all underground piping prior to excavation by contractors, and routine sampling of water for proper process controls. The operation and maintenance of treatment facilities for the City's surface water supply is performed by GBRA under a 40-year contract that began in October 7, 1998.

Performance Indicators	FY 05-06 Actual	FY 06-07 Actual	FY 07 - 08 Projected	FY 08 - 09 Projected
Water Work Orders	4,884	6,331	5,053	5,396
New Water Lines	20,000 Lft	41,000 Lft	7,920 Lft	50,800 Lft
Ground Water Storage	4	4	6	6
Elevated Water Storage	4	5	5	5

Personnel Resources

Public Works - Utilities (Water)			Authorized Positions		
Classification Title	Status *	Hr./Sal.	FY 2007-08 Amended	FY 2008-09 Proposed	Diff.
Public Works Director	F	Sal.	1.00	0.00	-1.00
Utilities Coordinator	F	Sal.	1.00	0.00	-1.00
Foreman	F	Hr.	1.00	0.00	-1.00
Compliance Tech.	F	Hr.	1.00	0.00	-1.00
Crew Leader	F	Hr.	0.00	1.00	1.00
Equip Operator	F	Hr.	0.00	1.00	1.00
Utility Tech. II	F	Hr.	0.00	2.00	2.00
Utility Tech. I	F	Hr.	3.00	2.00	-1.00
Secretary - Public Works	F	Hr.	1.00	0.00	-1.00
Admin. Assistant.	F	Hr.	1.00	0.00	-1.00
F= Full Time PPT = Permanent Part time			9.00	6.00	-3.00

Comments on proposed staffing changes for 2007-08

Net change of minus three. Six of the nine positions were transferred out to the new Division of Administration. Three new positions are proposed to be added to take a more proactive approach in maintaining the systems 20 miles of pipes and mains.

Appropriations by Major Category of Expenditure

	Employee Services	Goods & Supplies	Services & Other Fees	Capital Outlay	Transfers	Total
2005-06 Actual	137,950	268,844	462,459	107,617	449,903	1,426,773
2006-07 Actual	260,968	235,057	422,483	28,000	339,301	1,285,809
2007-08 Adopted'	329,517	144,900	359,266	300,000	700,501	1,834,184
Re-estimate	218,427	119,942	243,309	19,327	700,501	1,301,506
2008-09 Base Line	128,078	78,500	196,537	60,000	858,306	1,321,421
Prog. Change	109,125	5,750	2,313	70,000	215,000	402,187
Total 2008-09	237,203	84,250	198,849	130,000	1,073,306	1,723,608
% Change	9%	-30%	-18%	573%	53%	32%

Comments on significant changes proposed for 2008-09

Of the approximate \$320,000 increase from 2008 to 2009, 2/3rds is a result of the increased transfer from Water Utility to the General Fund. The remaining amount is a \$110,000 increase in capital outlay. The additional amount will be used to buy needed equipment for maintenance operations.

Capital Outlay and Debt Service:**Replacement Equipment**

<i>710J John Deere Backhoe*</i>	0.5	\$ 60,000
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Replacement: (shared with w/ww); Upgrade of departmental operations and maintenance vehicle heavily utilized in performance of duties; current operations have only one light duty backhoe that is aging; heavy duty backhoe replacement designed to improve current service and meet anticipated service demands generated by growth; will negatively impact employee safety, service and increase maintenance costs without replacement.

New Program

<i>One Ton Truck (R)</i>	1	\$ 40,000
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Replacement: Upgrade of departmental operations and maintenance vehicle heavily utilized in performance of duties; designed to maintain current service and meet anticipated service demands generated by growth; will negatively impact service and increase maintenance costs without replacement.

<i>Hydraulic system w/ tools</i>	(1)	\$ 30,000
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New: Upgrade of departmental maintenance equipment to allow for hydraulic tool system on utility truck. Hydraulic Set Up includes the PTO Hydraulic system to be installed on the 1 Ton Truck, and basic tools. The use of this system at work sites allows a two man crew to do the work of a four man crew; current situation requires that we maximize our workforce by leveraging proper tools and equipment that increase the efficiency of our workforce.

The Water Division's portion of the utility debt for 2008-09 is \$383,306 (50%) of the total. The debt issues funded by water and sewer are listed in the Section of "Debt Service" the I&S Fund. The total budgeted amount of \$70,000 is made up of the capital project listed above and the water Divisions portion of the debt payment.

Transfer:

A transfer of \$675,000 is made to the General Fund to reimburse it for expenses made on behalf of the Utility Fund.



Water Supply Division

The Water Supply Department is responsible for ensuring the City has adequate water to meet both its current and future needs. This would include evaluating and projecting current and future water needs as well as determining how to meet these needs. Kyle currently receives its water from leases, mainly from Edwards Aquifer, Barton Springs, and GBRA. The City is working on a joint venture with some of the surrounding communities to provide a new source of water with the Carrizo Wilcox Agreement. This water should be available in the next five to ten years.

Appropriations by Major Category of Expenditure

	Employee Services	Goods & Supplies	Services & Other Fees	Capital Outlay	Total
2005-06 Actual	-	-	1,047,842	32,502	1,080,344
2006-07 Actual	-	-	1,458,801	-	1,458,801
2007-08					
Adopted'	-	-	1,072,163	-	1,072,163
Re-estimate	-	-	842,727	340,019	1,182,746
2008-09					
Base Line	-	-	1,221,382	-	1,221,382
Prog. Change	-	-	-	-	-
Total 2008-09	-	-	1,221,382	-	1,221,382
% Change	0%	0%	45%	-100%	3%

Comments on significant changes proposed for 2008-09

Assuming the same base rates and volume rates from GBRA, Barton Springs and Edwards Aquifer, an allowance for up to 15% more water next year from GBRA was made in calculating costs.

We will continue to pay for debt service costs on the IH 35 pipeline out of Impact Fee funds which is allowable and reduces the drain on annual operating revenue.



Wastewater Operating Department

The Wastewater Department is responsible for the operation and maintenance of infrastructure that provides wastewater for over 7,000 customers. Wastewater infrastructure includes 9 pumping stations, 600 manholes, and 30 miles of wastewater collection mains. Department activities are regulated by the Texas Commission on Environmental Quality (TCEQ) and the Environmental Protection Agency (EPA). Department activities include: periodic operational checks and preventive maintenance at pumping facilities, jet cleaning and camera inspection of collection mains and manholes, and acceptance of new facilities constructed by developers, repair and preventive maintenance of collection mains, troubleshooting and repair of system blockages, marking of all underground piping prior to excavation by contractors. The operation and maintenance of treatment facilities is performed by the AquaTex under a 23 year contract that began in Sept. 2000.

Performance Indicators	FY 05-06 Actual	FY 06-07 Actual	FY 07 - 08 Projected	FY 08 - 09 Projected
Wastewater Work Orders	25	25	20	25
New Wastewater Lines	20,000 Lft	19,703 Lft	21,120 Lft	56,100 Lft

Personnel Resources

Utilities (Wastewater)			Authorized Positions		
Classification Title	Status *	Hr./Sal.	FY 2007-08 Amended	FY 2008-09 Proposed	Diff.
Crew Leader	F	Hr.	0.00	1.00	1.00
Utility Tech. II	F	Hr.	0.00	2.00	2.00
Utility Tech. I	F	Hr.	4.00	3.00	-1.00
			4.00	6.00	2.00

Comments on proposed staffing changes for 2008-09

The steadily increasing size of the wastewater collection system requires additional staff to maintain. It should also be noted that the maintenance staff of both the water and sewer divisions also work in assisting the street department in repairing utility cuts and other infrastructure repairs that are a result of water or sewer problems.

Appropriations by Major Category of Expenditure

	Employee Services	Goods & Supplies	Services & Other Fees	Capital Outlay	Transfers*	Total
2005-06 Actual	158,247	26,178	816,951	23,258	605,546	1,630,180
2006-07 Actual	130,180	25,434	1,077,356	28,000	901,285	2,162,255
2007-08						
Adopted'	169,145	12,400	1,031,200	235,020	700,501	2,148,266
Re-estimate	145,943	25,190	906,928	235,020	700,501	2,013,582
2008-09						
Base Line	145,644	24,457	950,211	60,000	707,769	1,888,081
Prog. Change	75,989	1,400	-	70,000	200,000	347,389
Total 2008-09	221,633	25,857	950,211	130,000	907,769	2,235,470
% Change	52%	3%	5%	-45%	53%	32%

* Includes Debt Service

Comments on significant changes proposed for 2008-09

The reduction in capital outlay costs of \$100,000 from last year to next is more than made up for by an increase in personnel costs and transfers to the general fund. A net two new positions are proposed to be added to increase support for the wastewater maintenance effort.

Capital Outlay and Improvements**Replacement Equipment**

710J John Deere Backhoe*

0.5

\$ 60,000

Replacement: (can be shared with w/ww); Upgrade of departmental operations and maintenance vehicle heavily utilized in performance of duties; current operations have only one light duty backhoe that is aging; heavy duty backhoe replacement designed to improve current service and meet anticipated service demands generated by growth; will negatively impact employee safety, service and increase maintenance costs without replacement.

New Program

<i>One-Ton Crewcab Truck</i>	(1)	\$ 40,000
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Replacement: Upgrade of departmental operations and maintenance vehicle heavily utilized in performance of duties; designed to maintain current service and meet anticipated service demands generated by growth; will negatively impact service and increase maintenance costs without replacement.

<i>Hydraulic system w/ tools</i>	(1)	\$ 30,000
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New: Upgrade of departmental maintenance equipment to allow for hydraulic tool system on utility truck. Hydraulic Set Up includes the PTO Hydraulic system to be installed on the 1 Ton Truck, and basic tools. The use of this system at work sites allows a two man crew to do the work of a four man crew; current situation requires that we maximize our workforce by leveraging proper tools and equipment that increase the efficiency of our workforce.

Total Capital Outlay	<u>\$130,000</u>
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The Wastewater Division's portion of the utility debt is \$383,306 (50%) of the total. The debt issues funded by water and sewer are listed in the Section of "Debt Service" the I&S Fund. The total budgeted amount of \$460,521 is made up of the capital project listed above and the water Divisions portion of the debt payment.

Transfer:

A transfer of \$675,000 is made to the General Fund to reimburse it for expenses made on behalf of the Utility Fund. Total for both Divisions is \$1,350,000.

